G. R. S. 58]

Previous references.

File No. 56-15.

1915-16.

Serial Nos. 41, 55,

(A19)

Later references.
Dte 7.6-22-7-15

Previous 61 + 64.
1-6-15
19.6.15

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 41, 55, 61 + 64.

Part B for April, 1916.

SUBJECT.

Modifications suggested by the Director of Industries and Commerce in the form prescribed for the Purchase agreement relating to agricultural machinery

Serial 64.

To the Dir. of Agric.
" " Comptroller.
" " Rev. Commr.
(& other Heads of Departts + Dy Commrs &c.)
No. 55-32-80. of 4.6.916.
Conveys the modifications suggested by the Dir. of Agric.

W D 1351—GPB—20,000—13-12-15

Bn.S. 18.8.16.

G. R. S. 11] 1915-16

GENERAL AND REVENUE SECRETARIAT.

(A + 9)

NOTES.

A + 9 File No. 56-15

FILE HEADING.

Grant of Loans for Ind Trade + Agricl purposes

From

The Director of Industries & Commerce.

No. 2268 Dated 23-12-15 Received 27-12-15

Diary No. 2325	Enclos.	Spare Copies.	Serial No. 4

BRIEF ABSTRACT OF LETTER.

Recommended that the application of Messrs Leelananda Karasinghe of Ilukkatapana for supply of machinery on the hire purchase system on certain conditions specified in lieu of 3rd instead of 4th and the value of machinery to be supplied to be fixed by the Director of Industries & Commerce (2) Request that the Government Agent be empowered to grant the hire purchase agreement on behalf of the Governor, so that the

NOTES AND ORDERS.

A

with G.O. No. 2097-145 of the 2nd Sept. 1913, are published Sec. 55-12-239
Rules and Forms of Agreement for the grant of Loans for Industrial & Agricultural purposes. The Hire-Purchase Agreement (Form 4) provides for repayment of the loan

NOTES — First Sheet.

C.P.B.—20,000—8-8-11

Serial No.

every six months. The Director points out that the ryots are put to much hardship on account of half yearly payments, as the return from the crop comes in once in the year, and suggests that he may be empowered to modify the terms of agreement so as to provide for annual payments. Branch II may be consulted if the modification of the agreement in the manner suggested is expedient.

2. The case of M/s Veerlagondi Narasimhach of Venkatapuna, will, if approved, be taken up after the general question ref.d to in para 1 above is decided.

Subd 3 to Br II for remarks.

6/1/16

4 When this file regarding the unpaid arrears of P.T. I must see what the Secretary said in favour of Quarterly when they were instituted.

7/1

Subd.

5 From the requisition slip, it will be found that it has been put up as ref.ce with Diary No. 630 of 1915/16 and Sub.d to Extraordinary Member on 21. 12. 1915.

7/1/16 7.1.16

6 Br II for favour of remarks

8/1

Subd 7

12.1.16.

Prima facie there seems to be no objn to provide for it.

NOTE—Contn. sheet

GPS—70,000—17-12-15

G. R. S. 12]

General and Revenue Secretariat. File No. of 191 .

Serial No.

Repayment of the loans in annual instalments. This may be easily Effected by providing in the hire purchase form for Annual payments as well. It is not clear why Dwellis should be specially Empowered if this is done — But it may perhaps be necessary to see the Original papers in which Half yearly payments were fixed to find out why this was done

Secy. 18.1.16

8) The Director proposals may be sd, necessary changes being made in the rules —

Secy 27/1

9) Draft up draft sanctioning the Director's proposals & supplementary arrangements

Secy 28/1

(10) Draft submd the original file is not forthcoming

Secy 31/1

11 Draft submd

Secy 31/1

12 Draft may be approved

Secy 1/2

2nd member Dewan

NOTE—Contn. sheet

C.P.L.—70,000—17-12-15

2375

Serial No.

13 I can not see if this investment is a wise one. What are the reasons in making a half yearly instalment in this matter, while the instalment system is in force in the Agl. Dept. also. I should like to know if the recoveries of the instalment are half yearly or yearly. Any default is met in payment of instalments may fall into arrears.

Wells
1/2/16

Please note on the file the important difference between agricultural loans & loans for industrial purposes - the latter are for much larger amounts than in former

2/2/16

Subd.

14 Under the existing orders, Hire-purchase transactions are allowed only in respect of (1) Machinery supplied for Agricultural and Industrial purposes under Rules 1 and 2 of the Rules published with the G.O. of 2nd September 1913, and (2) of Agricultural implements supplied under the G.O. of the 12th April 1915. In the former case, the instalments are payable half yearly, and in the latter case, annually.

15. In all other cases of Takavi loans, the repayment is made annually. Vide p 737 of the Mysore Revenue Manual.

16. The difference in repayment of the loans refd to

NOTE—Contn. sheet

CPL—70,000—17-12-15

G. R. S. 12]

General and Revenue Secretariat. File No. of 191 .

Serial No.

in paragraph 14 above, seems to be based on the consideration that the loans for Agricultural and Industrial purposes are for larger amounts than those for the supply of Agricultural Implements.

Subd. 9.2.16 The maximum limit in the case of such implements which the owners of appx. is Rs. 2000/-, in any single individual case as in the case of machinery the highest limit is Rs. 10,000/- & in two cases this has been exceeded. The reasons for demanding half-yearly payments are not explicitly stated: But it is to be presumed that while agriculture yields generally only one crop a year, & existing machinery, out of which may be expected earning more a year & also larger profits. But stocks & machinery for agri. can only give a yield once a year, though in purely industrial premises like oil mills, the return is monthly & daily. Therefore the rules have been framed with reference & the return fixed proportionately with time of the yield.

Sgd/ 7/2

NOTE—Contn. sheet.

GPB—70,000—17-12-15

In the case of implements supplied by the Bd the amount is payable in yearly instalments. It is a well-recognized principle in all Govt loans that repayment should not be demanded until a reasonable period has elapsed after the grant of the loan by which with ordinary diligence the borrower can expect to derive some profit from the loan. There is no doubt that as far as loans for machinery for industrial purposes is concerned trade may be started and the earning of profit commenced as soon as the machinery is erected but in actual practice it takes some time to establish the business. The same is true in the case of machinery supplied in connection with the industries subsidiary to agriculture such as pumping installations engaged in cultivation &c. If the total period of repayment is not to be extended it must therefore

NOTE—Contn. sheet.

GPB—70,000—17-12-15

G. R. S. 12]

General and Revenue Secretariat.

File No. of 191 .

Serial No.

the [illegible] the [illegible] yearly instead of half yearly would increase the risk. The proposal may therefore be rejected

8/2/16 8/2

2nd Member

Agree

4) I may be informed

7/2

20) Please put up a clean draft

10/2/16

Ag 11/2

21) Clean draft submitted

S/A 10/2/16

Agree

11/2/16

4261/142/16

22) Draft approved by the 1st member

Ag 17/2

23) Issue

Ag 19/2

55 To the Director [illegible] 4182 230 & 24 2. 16.

Sir etc. the recovery of [illegible] granted for the pen- [illegible] of any de [illegible] Chan- [illegible] ster of his

NOTE—Contn. sheet.

GPB—70,000—17 12-15

G. R. S. 12]

General and Revenue Secretariat.

349

A-9 File No. 56 of 1916.

Serial No.

approval of [illegible]

[illegible]

[illegible] the existing [illegible] agreement [illegible] case [illegible] and [illegible] so on" at the end being [illegible]

Draft order subd

24/3/16 For approval the draft will be typed.

28/3/16

typed. Put up clean draft

clean draft subd

23.3.16

For approval

23/3

23/3

[illegible] number

28.3.16

24/3/16 25/3

30/3

NOTE—Contn. sheet.

GPB—70,000—17-12-15

General and Revenue Secretariat.

File No. of 191 .

Serial No.

64. In the Dist. of [illegible]

" " Rev. Comm^r.

" " Comptroller.

Other Heads of Depts + 94 Comm^rs & Dists.

NOTE—Contn. sheet

W.D. 0713—GPB—3,500—27-8-15

DIARY No. 2325
10-12
SEC
No. 56-1
41

No.
ENCL.

OFFICE OF THE
DIRECTOR OF INDUSTRIES AND COMMERCE,
"BEDFORD HOUSE," HIGH GROUND,

Bangalore....23rd December.....191 5.

FROM

ALFRED CHATTERTON, ESQ., F.C.G.I., C.I.E.,

Director of Industries and Commerce in Mysore,
Bangalore, (India).

To

The Secretary to the Government of Mysore,
Departments of Education & Agriculture,
Bangalore.

SIR,

I have the honour to bring to the notice of Government that the terms of repayment in Hire Purchase Agreements for machinery supplied to the ryots require modification. The Agreement provides that the ryots should pay one-fourth of the amount down and the balance in six half-yearly instalments. In the majority of cases, the return from the crop only comes in once a year and that consequently there is probably much truth in the statement which has been frequently made recently that the ryots have to borrow money at exorbitant rates of interest to meet the demands in accordance with the terms of the Hire Purchase Agreements. Quite recently, one Mr. Veerlagondi Narasimiah of Venkatapura has requested to be supplied with machinery on the Hire Purchase System paying one-third of the money down instead of one-fourth and the balance in three annual instalments. This is a very reasonable proposition and I recommended it to Government. I also recommend that I should be empowered to modify the terms of the Hire Purchase Agreement for Agricultural machinery so as to provide ~~only~~ for annual payments. I do not recommend that the period for the repayment of the loan should be lengthened but simply that one-fourth should be paid down at the outset and the remaining three-fourths in three annual instalments. This will undoubtedly increase

the

the popularity of the Hire Purchase System which in other respects is, I think, working very well. I would request that such orders as Government may be pleased to issue may not only apply to future Agreements but that I shall have power to modify the Agreement already entered into where the local circumstances seem to justify such action. I would point out that all Taccavi loans are granted on terms of annual repayments and that the modification now proposed would only bring the Hire Purchase Agreements into line with the Taccavi rules.

(4)

I have the honour to be,

S i r,

Your most obedient servant,

Director of Industries & Commerce.

Modifies the Rules for the grant of loans ~~granted~~ for the purchase of Agricultural Machinery under the Hire-Purchase System.

G.R.S. 28]

A. 9 File No. 56-15
Serial No 5

Diary No. of letter replied to 2325

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT.
( )

, the , 191 .

Date of issue

Signed by

READ—

G.O No. 2097-145 dated the
Fin. 55-12-239
2nd September 1913, publishing rules for the grant of loans to facilitate agricultural and industrial operations and for the purchase and erection of machinery.

~~ORDER THEREON.—NO.~~

2. Letter No. 2268, dated the 23rd December 1915, from the Director of Industries and Commerce, reporting that the present system of recovering

over

SUBJECT.

GPB—50,000—1-12-12

loans granted for the purchase of agri-
cultural machinery by payment of
$\frac{1}{4}$th of the amount at once and of the
balance by six half yearly instalments,
is causing hardship to the ryots as
their crop comes in only once a year,
and recommending therefore that he
may be empowered to modify the
terms of the existing and future
Hire Purchase Agreements for such
machinery, so as to provide for three
annual instalments instead of six
half yearly ones, without however
extending the period fixed for the full
repayment of the loan.

Order :— No.

The Director's proposals are sanctioned.
He is requested to submit for the approval
of Govt a draft revised form of the
Hire Purchase Agreement after making
the necessary alterations in regard to
agricultural and industrial machinery.

2. The application of M. Veerlagondi

G. R. S. 27]

GENERAL AND REVENUE SECRETARIAT.

(*Continuation sheet draft form.*)

Narasimiah referred to in the letter read above may be dealt with in accordance with this order.

3. As regards the modification of the terms in other cases already sanctioned a special report may be made for the orders of Govt regarding each case.

11/2

As approved by 2d Member.

17/2/16

(Fair draft)

By order,
for the Secretary to Govt,
E & A Depts.
17/2/16

To

The Director of Industries & Commerce.

" Revenue Commr in Mysore.

" Comptroller, Mysore Govt.

Other Hds of Depts & D-Cs of Districts.

Copy to Branch II.

GPB—12,000—15-2-13.

3495

W.D. 0713—GPB—3,500—27-8-15

No. 3613
Encl.

Office of the
Director of Industries and Commerce,
"Bedford House," High Ground,

Bangalore.....13th March.....1916.

From

ALFRED CHATTERTON, Esq., F.C.G.I., C.I.E.,

Director of Industries and Commerce in Mysore,
Bangalore, (India).

To

The Secretary to the Government of Mysore,
Departments of Education and Agriculture,
Bangalore.

Sir,

With reference to the first para of Government Order No. 4166-230/A & I.36-13-35 dated the 24th February 1916, I have the honour to state that the existing form of Hire Purchase Agreement may be used in cases of annual instalments also only the words "Six months" being substituted by "Year" in the third line and the words "and the fourth.....(and so on)" at the end being scored out in the third paragraph of the Agreement. No other alterations are necessary.

I have the honour to be,
Sir,
Your most obedient servant,

Director of Industries & Commerce.

Approval of the modifications suggested by the Dir: of Industries, &c ... for prescribed for Hire Purchase of ... &c ... &c

G.R.S. 28]

A-9 File No. 56-15
Serial No. 14.

Diary No. of letter replied to 3495

Proceedings of the Government of His Highness the Maharaja of Mysore

GENERAL AND REVENUE SECRETARIAT.
( )

, *the* 191 .

READ—

Letter No. 3813 & the 13th March 1916, from the Director of Industries and Commerce stating with reference to paragraph 1 of the G.O. No. ~~+182-230~~ A-956-15-55 & the 24th February 1916, that ~~ORDER THEREON.—No.~~ the existing form of Hire Purchase Agreement may be used in cases of annual instalments also, with the word "year" being substituted for the words "six months" in the 3rd line of

over

Date of issue

Signed by

SUBJECT.

GPB—50,000—1-12-12

para 3 of form No. 4 and the words

"and the fourth ..... (and so on)"

at the end being scored out.

Order :— No.

Approved.

Subst

May this be printed?

VS

23/3

To

The Secretary to Govt,
E & A Dept.
23/3/16 14/3/16

The Director of Industries & Commerce.

" Revenue Commr in Mysore.

" Comptroller, Mysore Govt.

Other Hds of Depts and Dcs of District.